Chattanooga Gas

Archie Hickerson
Director, Rates & Tariffs Admin.

10 Peachtree Place
Atlanta, GA 30309
404 416 9975 tele
404 584 3817 fax
ahickers@southernco.com

Electronically Filed in TPUC Docket Room on May 19, 2022 at 11:22 a.m.

May 19,2022

Chairman Kenneth Hill
Tennessee Public Utility Commission
C/o ATTN: Ectory Lawless, Docket Room
502 Deadrick Street,
4th Floor
Nashville, TN 37243-0505

Dear Chairman Hill:

In compliance with the May 9, 2022, Commission decision in Docket 20-00139, Chattanooga Gas Company (CGC) hereby files an original and three (3) copies of the following revisions to Chattanooga Gas Tariff TPUC No. 1.

> Thirteenth Revised Sheet No. 48 “Interruptible Margin Credit Margin Rider” to be effective June 1, 2022

As directed the sharing of the gross profit margin that results from transactions with non-jurisdictional Customers that rely on the Company’s gas supply assets is revised. Prior to the May 9 decision, the tariff provided that the gross profit margin be shared equally by the CGC’s Customers and the Company. As revised, the Customers’ share is 75% and the Company retains 25%. For your convenience, redlined copies of the Tariff Sheet showing the changes are also being provided.

If you or your staff have questions, please contact me at 404-416-9975 or at ahickers@southerco.com.

Sincerely,

Archie R Hickerson

Archie Hickerson
Director, Rates & Tariffs Admin.

INTERRUPTIBLE MARGIN CREDIT RIDER

APPLICABILITY

This Rider shall apply to and become part of each of Chattanooga Gas Company's (Company's) Rate Schedules under which gas is sold on a firm basis (hereinafter referred to as "Firm Schedule").

INTENT AND APPLICATION

This Interruptible Margin Credit Rider is intended to authorize the Company to recover ninety percent (90%) of the gross profit margin losses that result from rates negotiated under the provisions of Special Service Rate Schedule SS-1 or from Customers who switch to alternate fuels where the Company is unable to meet alternate fuel competition.

This Interruptible Margin Credit Rider is also intended to authorize the Company to recover not more than twenty five percent (25%) of the gross profit margin that results from transactions with non-jurisdictional Customers that rely on the Company's gas supply assets (all such transactions including off-system sales) should such transactions be made by the Company. The Company shall also recover through this Rider other costs authorized by the Commission. D

DETERMINATION OF GROSS PROFIT MARGIN LOSSES

The gross profit margin loss shall be calculated as ninety percent (90%) of the difference between the Test-Year Targeted Rate Margin as determined in the Company's most recent rate case order of the Commission and the Actual Negotiated Rate Margin.

Any amount of gross profit margin losses shall be recovered from the firm commodity component of gas costs as determined under the presently effective Purchased Gas Adjustment Provision.

FILING WITH THE COMMISSION

Annually the Company shall file a report of the negotiated rate gross profit margin loss and the gross profit margin from transactions with non-jurisdictional Customers for the accounting/recovery period which shall correspond with the Company's Fiscal Year, or if the Company has an asset management agreement, the accounting/recovery period may be modified to coincide with the contract year of the agreement or, for just cause, with another appropriate accounting/recovery period.

The Company shall charge all authorized negotiated rate gross profit margin losses to the "Deferred Gas Cost" account the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

INTERRUPTIBLE MARGIN CREDIT RIDER

APPLICABILITY

This Rider shall apply to and become part of each of Chattanooga Gas Company's (Company's) Rate Schedules under which gas is sold on a firm basis (hereinafter referred to as "Firm Schedule").

INTENT AND APPLICATION

This Interruptible Margin Credit Rider is intended to authorize the Company to recover ninety percent (90%) of the gross profit margin losses that result from rates negotiated under the provisions of Special Service Rate Schedule SS-1 or from Customers who switch to alternate fuels where the Company is unable to meet alternate fuel competition.

This Interruptible Margin Credit Rider is also intended to authorize the Company to recover not more than ~~fifty~~ twenty five percent (~~50~~25%) of the gross profit margin that results from transactions with non-jurisdictional Customers that rely on the Company's gas supply assets (all such transactions including off-system sales) should such transactions be made by the Company. The Company shall also recover through this Rider other costs authorized by the Commission. D

DETERMINATION OF GROSS PROFIT MARGIN LOSSES

The gross profit margin loss shall be calculated as ninety percent (90%) of the difference between the Test-Year Targeted Rate Margin as determined in the Company's most recent rate case order of the Commission and the Actual Negotiated Rate Margin.

Any amount of gross profit margin losses shall be recovered from the firm commodity component of gas costs as determined under the presently effective Purchased Gas Adjustment Provision.

FILING WITH THE COMMISSION

Annually the Company shall file a report of the negotiated rate gross profit margin loss and the gross profit margin from transactions with non-jurisdictional Customers for the accounting/recovery period which shall correspond with the Company's Fiscal Year, or if the Company has an asset management agreement, the accounting/recovery period may be modified to coincide with the contract year of the agreement or, for just cause, with another appropriate accounting/recovery period.

The Company shall charge all authorized negotiated rate gross profit margin losses to the "Deferred Gas Cost" account the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.